

Laird -- Communist Intentions
31 Mar 70

21 Mar 70 Carver to Walsh (and various) Short Note re Laird
 request for comments on Current Situation (Enemy
 Situation, Friendly Situation, GVN Capabilities)
 (report attached)

9 Apr 70 TOP SECRET Helms to Lair memo re Agency Comments on
 JCS Vietnam Planning Paper

Attachment: TOP SECRET Blind Memo, dated 9 Apr 70,
 re Comments on "Current Situation"
 Appendix to RVNAF Improvement and
 Modernization Plan

DIA review completed.

JCS review completed. Secondary referral to DIA.



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

9 April 1970

MEMORANDUM FOR: The Honorable Melvin R. Laird
The Secretary of Defense

SUBJECT : Agency Comments on JCS Vietnam
Planning Paper

Per your request, I asked a very small group of my knowledgeable associates to review those portions of the JCS Vietnam planning paper that were appended to your memorandum of 13 March. Their comments are attached hereto. I am forwarding these comments only to you for your private information and use.

/s/ Richard Helms

Richard Helms
Director

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9 April 1970

MEMORANDUM

SUBJECT: Comments on "Current Situation" Appendix to
RVNAF Improvement and Modernization Plan

1. That portion of Part II of the Appendix to the plan for the consolidation phase of RVNAF Improvement and Modernization entitled, "CURRENT SITUATION" (pages 3-18) was apparently drafted in November 1969. It is perforce now somewhat outdated, but events of the past few months have not substantially altered the elements involved in many of the subjects there considered. The JCS paper generally reflects the intelligence community's overall assessment of the situation as of the end of 1969. It did, in retrospect, somewhat overweight the chances of the enemy's significantly stepping up military activity in early 1970. The JCS paper is both cautious and candid in its comments about soft spots in pacification, the need for consolidation and improvement in the GVN's rural security apparatus, and the leadership talent problem that inhibits both current RVNAF performance and future force increases. We concur in these comments but feel that in spite of such frankly stated caveats, the overall tone of the JCS appendix may suggest more grounds for optimism about the prospects for further pacification progress than the available evidence warrants or, for that matter, than the drafters of the appendix may have intended to convey.

2. On points of detail, we offer the following specific comments for consideration. These comments are keyed to individual paragraphs of the JCS appendix:

Para 3. This Agency has not yet developed an end-of-year estimate of the strength of enemy forces. On the basis of the work done to date, however, a net decline of approximately 50,000 men seems to be of the right order of magnitude.

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Para. 4. We would not have interpreted the current rates of infiltration to be adequate to support a judgment, "... that the enemy is attempting to maintain his strength, possibly for major offensive activity early in 1970." Infiltration so far this year has been less than adequate to maintain enemy force levels. The time lag between departures and arrivals would prevent the enemy from significantly improving his capabilities to support a major offensive before the second half of 1970.

We also note that some of the unit deployments cited as evidence of stepping up offensive activity are open to other interpretations. Captured documents, for example, strongly suggest that the NVA units deployed to the delta are to be used in small-unit operations in tactics designed to avoid casualties.

Para 6. We share the judgments expressed in this paragraph on the difficulties involved in projecting enemy strength estimates over the next 2-3 years. The present trends in declining force levels can be reversed, however, without increasing infiltration. Enemy losses are to a considerable extent a function of enemy activity and the rate is, hence, susceptible to a considerable measure of enemy control. By varying his tactics the enemy can sharply curtail his losses, thus maintaining or building up force levels without necessarily increasing infiltration above the 1969 level.

Para 7. We are unable to identify the source of the estimates of enemy strength given in this table, and do not believe there is yet sufficient data available to make reliable end of the year estimates. The estimates given in Table 4 show substantial differences from the most recent agreed CIA/DIA estimates. The NVA combat force estimate, for example, does not include an estimated 10-15,000 troops carried in the CIA/DIA agreed figures as part of the out-of-country threat. Even when this adjustment is taken into account, the NVA force figures seem to be on the high side. The Administrative Services estimates are consistent with agreed CIA/DIA estimates. The Guerrilla estimate is conservative and somewhat below the most recently agreed CIA/DIA estimates (end-September 1969). Finally, we would note that the constant lack of current data and the deficiencies in the data which are

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available, have always constrained the CIA/DIA agreed estimate to show a range of 50-60,000 in total strength in order to avoid an erroneous impression of high precision regarding these numbers.

Para 8. This and paragraph 9 convey a tone of optimism regarding the friendly situation which we are unable to share fully. The text gives the appearance of basing rather broad generalizations on one or two specific facts. We feel, for example, that much of the shifting of the burden of the war to the Government of Vietnam would have occurred whether or not there had been growth in the "size and ability" of GVN forces. Even more important is the fact that, for the most part, the enemy's efforts to minimize his losses probably accounts for the reduced scale of combat over the past year. This in turn has reduced the extent of GVN combat participation so that the GVN military establishment has not had to face the acid test of major combat on a really broad scale.

Para 8.a. The comments on pacification strike us as somewhat over-optimistic. Some of the gains in pacification seem to be the result of an enemy decision not to contest the program too vigorously while US forces are being withdrawn. In addition, studies and field surveys by Washington analysts show that many of 1969's pacification gains are quite fragile and can probably be reversed when the enemy chooses to contest them seriously. These same studies note that the Viet Cong infrastructure remains relatively intact and still has a considerable capacity for disrupting pacification by covert/subversive programs. Finally, we note few signs of really positive political cohesion or political allegiance to the GVN in rural areas. Thieu has assiduously cultivated village and hamlet officials, but this has not perceptibly increased a sense of identification with him or his government among the rural population. Furthermore, though many people in rural areas are living better than ever before, the GVN is not yet receiving widespread political credit for improved conditions.

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Para 8.b.(1). The use of these engagements as examples of the general growth of capability is somewhat misleading. Many view these battles as standoffs resulting from the heavy employment of US airpower. Moreover, to use the Ben Het example, ARVN's "increased confidence and combat capability" should be viewed against the desertion background. Prior to May 1969, ARVN's 42nd Regiment (the unit which bore the brunt of the enemy's attack) had a desertion rate of about 20 men per thousand. During June, this had jumped to 58 men per thousand.

Para 8.b.(2). Although the 9th ARVN has improved markedly, the performance of the 7th (particularly the 10th Regiment) remains poor, and has resulted in deterioration of the security situation in Kien Hoa Province. This division's performance, however, does seem to have improved under its new commander, Colonel Nam.

Para 8.b.(4). Regional Force improvement throughout most of South Vietnam has been heartening, but the same cannot always be said of the Popular Forces. In some areas the PF have performed with credit and even distinction, but PF must be recruited from the district in which they are to be used and this is a decided weakness in districts with a long history of VC control.

Para 8.c. Although there has been some improvement in the training of RVNAF personnel it is still seriously deficient. Recent information on training indicates that 35 percent of ARVN's battalions received no training in 1969. Another 18 percent received ten days or less. Moreover, US advisors rate more than 50 percent of the training provided to improve combat skills as ineffective.

Para 10.b.(1). The meaning of the statements on the increases in the 1969 budget is unclear. If the sentence means that the GVN had to augment significantly its 1969 defense budget above the level originally planned for 1969, the statement is not accurate. Military expenditures originally planned for 1969 were 85 billion piasters and actual expenditures amounted to 92 billion piasters -- an increase of only eight percent. However, if the sentence

means that defense expenditures in 1969 were above those in 1968 then it is correct, although it should be noted that the increase in 1969 over 1968 (32%) was less than that of 1968 over 1967 (41%).

Para 10.b.(2). The statement on lines 17-10 is incorrect. Data on industrial production for 1969 shows the output of almost all items to be well above that for both 1968 and 1967. Moreover, we have no indication that some factories are closing because of a shortage of workers.

Para 10.c. We do not agree with the comments on the validity of current estimates of the GVN manpower pool. Although a few different methodologies for developing rough estimates have been developed, they have not produced "sophisticated and reliable" estimates. We know of no one in the intelligence community familiar with the subject who has any great confidence in the base population estimate used for South Vietnam. Current aggregates and distributions are used because, even though they are not particularly reliable, they are believed to be the best available.

Page 19, Table 6. We have some difficulty with the available manpower estimates in Table 6, particularly with the number reaching 18 years of age (180,000 to our 100,000). Since we do not know the methodology used or the underlying assumptions employed, we assume they may be understating the population under VC control. Despite the differences in our figures, we agree with the judgment that the country is reaching the limit of available prime manpower.

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EYES ONLY

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DATE: 21 March 1970

Messrs.

TO:

FROM:

SUBJECT:

REMARKS:

Attached is a document from Secretary Laird on which he has solicited our comments. I would like to convene the clan briefly at 1345 on Monday, 23 March, to discuss this document, explain what it is, and sort out how we wish to respond. Since Secretary Laird regards the attached as a most sensitive document, will you please handle it accordingly and not circulate your copies.

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George A. Carver, Jr.

Special Assistant for Vietnamese Affairs

Attachment

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III. CURRENT SITUATION

A. ENEMY SITUATION

1. (TS) The enemy appears to be maintaining or building the capability to exercise two strategic options. He is preparing to carry on the war at the present level, that is, a generally low level of activity punctuated by an occasional "high point." Concurrently, he may be building his capability to increase military activity early in 1970 if he believes it would produce some significant political or military advantage.

2. (S) The Viet Cong Infrastructure (VCI), as the political instrument of the Vietnamese Communist Party in the Republic of Vietnam, will become functionally more important if the level of armed conflict declines. The high losses by the VCI during 1968 and 1969 will likely be replaced to some extent by North Vietnamese political cadre from military units presently in the Republic of Vietnam and newly infiltrated cadre. A decentralization process is foreseen, where main force military units will be the military arm of the district and province VCI. Terrorism, sabotage, and assassination tactics will increase. These measures will be used to support recruitment, taxation, propaganda, and a psychologically reinforced image of communist strength among the people.

3. (S) Enemy strength has declined during 1969, possibly as much as 50,000. This decline is due primarily to continued high combat losses, increasing recruitment difficulties, and a sustained high Hoi Chanh rate with inadequate infiltration to offset losses. Even if this decreasing strength trend continues, the enemy will have the capability to continue his high point strategy; however, his capability to mount significant offensives would deteriorate.

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4. (TS) There are indications, however, that the enemy is attempting to maintain his strength, possibly for major offensive activity early in 1970. These indications are:

a. Continuing Infiltration. The enemy is continuing the infiltration of personnel from North Vietnam. A projection of the estimated enemy gain and loss rates for December 1969 reflects a continued decline in force. However, the enemy could substantially increase the infiltration rate and thereby significantly improve his capability to support a major offensive.

b. Deployment of Units within the Republic of Vietnam and the Rotation of Entire Units to the Conterminous Areas. There are current indications that the enemy may have deployed at least one additional regiment to the vicinity of northern I Corps Tactical Zone (CTZ). Should additional large units be deployed to this area, the threat to the northern I CTZ would be increased. In the II CTZ, the recent enemy concentration of a division equivalent in the Bu Prang-Duc Lap area has again demonstrated the enemy's capability to increase the threat at selected areas. The deployment of five enemy regiments to the IV CTZ since May 1969 indicates the enemy's probable intention to step up offensive activity in that area.

c. Increased Imports of War Material into North Vietnam. Truck imports in 1969 were ahead of the 1968 figure and petroleum, oil, and lubricant (POL) imports reached a record high. The enemy is also importing large quantities of road-building equipment, and deliveries of explosives in 1969 were more than twice the volume detected for 1968. These increased imports indicate an enemy intention to increase his capability to provide logistical support for his forces in the south.

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The halt of US bombing since 1 November 1968 has reduced enemy losses and allows him to provide better support to his southern forces.

d. Efforts to Improve the POL Storage and Distribution System in North Vietnam and Laos. The increase in POL storage capacity in southern North Vietnam and the construction of POL pipelines in North Vietnam and in Laos reflect the enemy's efforts to move his logistic bases as far south as possible to speed his logistics flow and take maximum advantage of the North Vietnamese sanctuary.

e. Restoration of Lines of Communication (LOCs). In Laos, the enemy is engaged in the task of restoring his LOCs to their dry season norm, and the 559th Transportation Group has resumed the task of moving men and material to the south. The scale of the enemy's supply effort indicates that his logistic flow through Laos will be at least equal to that of previous years. As a result, enemy forces in the I CTZ and northern II CTZ are likely to have sufficient logistic support to permit increased offensive activity in early 1970.

f. The Continued Flow of Arms and Ammunition into Cambodia. The backlog of supplies in Cambodian arms depots and the reported resumption of arms shipments from Cambodia to the Viet Cong in November and December 1969 suggest that enemy forces in the III and IV CTZs and southern II CTZ will also have adequate logistical support for major offensive operations in early 1970.

5. (S) It is concluded that the enemy is simultaneously preparing two options: one, to carry on the conflict as he has over the past 6 months in order to create the image of never-ending war; and two, to increase offensive activity in early 1970 if he believes some political or military advantage will

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thereby accrue to him. He can step up the infiltration of men
and material to the south, resupply his base areas, and continue
to train and indoctrinate his forces while he avoids major
ground contacts and waits in sanctuary for a decision by Hanoi.

6. (TS) Viet Cong strength for the period FY 1971 through FY
1973 cannot be accurately predicted on the basis of information
presently available. A forecast based on past patterns of enemy
infiltration involves so many variables that it cannot be extrapo-
lated with confidence for a year, much less to 1 July 1973. The
average 1969 infiltration rate, when extended in connection with
current loss rates, develops a figure that is considered to be
unrealistically low. Although Hanoi's overall aim of unifying
Vietnam under communist control remains unchanged, our knowledge
of their overall program for the conduct of the war does not
provide much insight into future Viet Cong/NVA manpower require-
ments. There is little doubt that the enemy could very signifi-
cantly increase the infiltration rate and thus reverse the
present decline. On the other hand, as pacification proceeds,
one must assume that more Viet Cong-oriented South Vietnamese
will turn to the Government of Vietnam. As this happens, less
in-country sanctuary and manpower will be available to the Viet
Cong/NVA. Future enemy strength will depend on his strategy,
tactics, losses, infiltration, and in-country recruiting, and
even pacification progress, which make a meaningful manpower
estimate most difficult. If the current momentum of pacifica-
tion continues and the enemy continues the current pattern of
his military operations into the 1971-1973 time frame, his forces
will probably decline even more significantly. Conversely,
should the enemy decide a major military effort is to his advan-
tage, Viet Cong/NVA manpower in the Republic of Vietnam could be
increased substantially.

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7. (U) The enemy's current composition, disposition, and strengths are shown in Table 4.

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TABLE 4
ENEMY STRENGTHS AND DISPOSITION^{1/}
(15 December 1969)
(Thousands)

<u>I CTZ</u>		<u>III CTZ</u>	
NVA Combat	50.5	NVA Combat	25.0
Viet Cong Combat	5.5	Viet Cong Combat	12.0
Administrative Support	19.0	Administrative Support	27.0
Guerrillas	13.0	Guerrillas	5.0
Subtotal	88.0	Subtotal	69.0
<u>II CTZ</u>		<u>IV CTZ</u>	
NVA Combat	14.5	NVA Combat	6.0
Viet Cong Combat	10.5	Viet Cong Combat	15.2
Administrative Support	14.0	Administrative Support	13.0
Guerrillas	10.0	Guerrillas	20.0
Subtotal	49.0	Subtotal	54.2

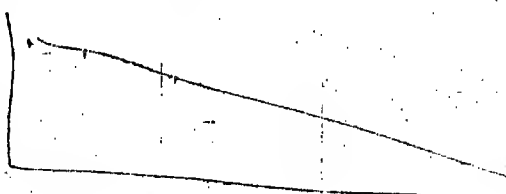
GRAND TOTAL - 260.2

ENEMY MANEUVER BATTALIONS (15 December 1969)^{2/}

<u>CTZ</u>	<u>NVA</u>	<u>VIET CONG</u>	<u>TOTAL ENEMY</u>
I	60	28	88
II	28	22	50
III	34	49	83
IV	13	37	50

- ^{1/} Strengths include NVA forces normally deployed north of the demilitarized zone (DMZ) and in Laos and Cambodia sanctuaries. This is considered the combined Viet Cong/NVA in-country threat.
- ^{2/} Viet Cong/NVA maneuver battalions include infantry and sapper battalions.

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B. FRIENDLY SITUATION

8. (S) Significant trends in the friendly situation involve a mixture of political and military operations reflecting the impact of Vietnamization. Allied successes have increased the ability of the Government of Vietnam to extend its control over disputed areas. Significant growth in the size and ability of GVN Forces has permitted a shift of more of the burden of the war to the Government of Vietnam. Trends in the friendly situation are discussed below under the three general categories of pacification, engagement of the enemy, and Improvement and Modernization (I&M).

a. Pacification

(1) The pacification program developed increasing momentum in 1969 due to continuing GVN high level interest, support by the United States, and a relatively low level of Viet Cong/NVA reaction. The President of the Republic of Vietnam is calling for consolidating and solidifying security and the political base of the nation. His emphasis on decentralization of decisionmaking to local governments is designed to create the sense of community so long absent from Vietnam. Special attention is being given to development of a positive relationship with the dispossessed elements of the population through land reform, better local leadership and administration, and new attention to problems of resettlement. The Pacification and Development Program, through improved organization and the intense personal attention of the President and the Prime Minister, has attained momentum of its own. The 1970 Pacification and Development Plan has now been approved and is being implemented. That plan, with continued GVN and US support, should result in substantial progress in

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1970, especially in the consolidation of 1969 gains. GVN presence, security, and authority are expanding to encompass new territory and populations. New routes are being secured, permitting increased traffic and trade between town and country. Refugees are returning to their home villages. There is the beginning of a sense of political cohesion among the rural population. Authority of local elected leadership is increasing. The strength of the People's Self-Defense Force continues to rise.

(2) Against the background of these favorable trends, there is an urgent requirement for continued emphasis on and further analysis of rural security and GVN Forces committed to such activity. The enemy has recognized the momentum of pacification as a threat and is expected to focus his attack on the program. Weaknesses which exist may then be more evident. The trend toward simplifying the currently complex array of GVN rural security forces in order to make the best use of available manpower should continue with an evolutionary consolidation of the forces involved. The need for such a consolidation is indicated by the following elements in the current situation. Security remains tenuous in many areas. The National Police, successful in urban areas, have not performed as well in their rural role. Information programs are still marred by an artificial and mechanized quality. Effectiveness of the Phung Hoang program is not fully known. Terrorism will continue to be a threat in 1970. The political life in the countryside needs further organization.

b. Engagement of Enemy Forces

(1) ARVN forces are increasingly engaging the enemy on a unilateral basis with significant reductions in US

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reinforcement. The successful ARVN operations in Quang Tri 1
Province and at Ben Het/Dak To, are examples of the increased 2
confidence and combat capability of the ARVN. ARVN has 3
engaged the enemy at Bu Prang while US units in the II CTZ 4
filled gaps left by ARVN units shifted into the battle area. 5

(2) Regular forces are beginning to take an increasingly 6
aggressive approach to combat operations. For example, in 7
the Delta area, two regimental equivalents of the 9th ARVN 8
Division have been deployed with notable success outside 9
their assigned tactical areas of operations to counter 10
threats in adjacent areas. In conjunction with the 21st 11
ARVN Division and VNN Riverine forces, three Vietnamese 12
Marine Corps (VNNMC) battalions have conducted productive 13
operations into the enemy's U Minh base area. 14

(3) Senior RVNAF commanders continue to advance the op- 15
erational concept of moving regular forces away from popu- 16
lation centers toward threatened border areas where they 17
can engage the enemy before he can launch coordinated 18
operations. 19

(4) The Regional and Popular Forces are steadily gain- 20
ing a reputation as efficient combat forces. More impor- 21
tantly, they are assuming an increasing share of the mis- 22
sion of population security, freeing regular forces to en- 23
gage enemy main force units. For example, the number of 24
regular battalions on pacification missions decreased 25
about 50 percent from June 1969 to December 1969. 26

c. Improvement and Modernization. It appears that strength 27
increases proportionate to those of the past 2 to 3 years are 28
beyond the capability of the GVN manpower base. In recent 29
years, rapid increases in total capability have been achieved 30
by activation of relatively easily trained units. Further 31

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significant increases in capability must now be achieved
largely by the slower process of improving the quality of
the existing forces.

(1) With the exception of additional artillery and
transport units, the ARVN basic 11-division structure
is virtually complete. By the end of FY 1970, the VNMC
will have increased by three infantry battalions and one
field artillery battalion, essentially completing its full
division structure. In the past year, the VNN force struc-
ture has nearly doubled, and most of the US Navy combat
craft in-country currently approved for turnover will be
turned over by June 1970. The VNAF is currently program-
med to nearly double its present 21-squadron force. In
addition to these planned squadron activations, the ex-
pansion program during CY 1969 has been devoted to the
conversion of fighter and helicopter squadrons to modern
aircraft. The VNAF is now involved primarily in long-term
pilot training, training airmen and maintenance personnel
and the development of headquarters and logistics elements.
Regional and Popular Forces must continue to expand to
maintain the momentum of the pacification program.

(2) In the qualitative field, there has been an in-
creased emphasis on the training of RVNAF personnel by
their short-term integration into units, staffs, and tech-
nical elements of US Forces. Through an effective on-the-
job training program on US Navy and Coast Guard craft, the
Vietnamese have been able to take over ships and craft
on an accelerated basis, and also to assume responsibil-
ity for the conduct of significant riverine and coastal
operations. Since August 1969, the VNN and VNMC units
have been conducting riverine operations in the IV Corps.

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The VNAF assumption of operations of the Tactical Air Control System (TACS) in the IV CTZ is virtually complete. 1
 9. (U) See Table 5 for composition, disposition, and strength of friendly forces. 2
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TABLE 5
FRIENDLY STRENGTHS AND DISPOSITION
 (Thousands)

<u>I CTZ</u>		<u>III CTZ</u>	
US Forces	169.9	US Forces	177.0
FWMAF	6.8	FWMAF	27.0
RVNAF	78.2	RVNAF	121.6
Regional/Popular Forces	56.4 ^{1/}	Regional/Popular Forces	75.5
Subtotal	311.3	Subtotal	401.1 ^{1/}
<u>II CTZ</u>		<u>IV CTZ</u>	
US Forces	117.6	US Forces	20.2
FWMAF	37.8	FWMAF	.1
RVNAF	78.2	RVNAF	89.3
Regional/Popular Forces	84.2 ^{1/}	Regional/Popular Forces	140.4 ^{1/}
Subtotal	317.8	Subtotal	250.0
<u>Capital Military District/ Central Agencies</u>			
RVNAF	103.7		
GRAND TOTAL	1,383.9		

FRIENDLY MANEUVER BATTALIONS
 (15 December 1969) 2/

<u>CTZ</u>	<u>UNITED STATES</u>	<u>FWMAF</u>	<u>RVNAF</u>	<u>TOTAL FRIENDLY</u>
I	38	4	38	80
II	16	18	32	66
III	39	9	59	107
IV	0	0	46	46
TOTAL	93 ^{2/}	31	175 ^{2/}	299 ^{2/}

- 1/ Figures for Territorial Forces are separated from RVNAF figures but do not include 111,436 personnel in the pipeline who cannot be broken out.
 2/ The term "maneuver battalion" includes Army and Marine Corps infantry, airborne, airmobile, and tank battalions, and nondivisional armored cavalry squadrons. Totals do not include 4 USA and 10 ARVN armcred cavalry squadrons organic to, or associated with divisions.

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C. GVN CAPABILITIES

10. (TS) Although the Joint Chiefs of Staff are not directly cognizant of or responsible for governmental or civil aspects of Vietnamization, these areas have a marked impact on military planning and must be taken into account. While this report addresses primarily a program for the I&M of the RVNAF, the success of that program, as well as the success of Vietnamization, rests on all the pillars of nationhood.

a. Political Factors. Both the international and the national political situations have led to continued lack of commitment or allegiance to the Government of Vietnam and to varying degrees of accommodation with the enemy in some areas. The achievement of democratic institutions through free election should result in greater public participation in the political process. If President Thieu's objective of bringing all of the people of the Republic of Vietnam under GVN protection by the end of 1970 is reached, then current enemy claims to significant population allegiance can be refuted and some new resources in manpower may become available. The Government of Vietnam and the Joint General Staff (JGS) have recognized the significance of political warfare (POLWAR) and, with the advice of the Chinese Nationalists, have developed a Directorate for POLWAR in the JGS. However, lacking an easily projected ideological base, and only just now having developed a trained cadre and initiated the "New Horizons" campaign, the potential results of POLWAR cannot be expected to appear immediately, though they should be of increasing significance in reinforcing the ability to develop and support an effective RVNAF. The pacification program serves as the main catalyst for mobilizing political support for the Government of Vietnam. It accomplishes this

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through eight interrelated subprograms, which together seek 1
to provide for territorial and population security; strength- 2
ened and more responsible local government; the fulfillment of 3
popular mobilization; and the fulfillment of political, economic, 4
and social aspirations. The fundamental objective of the entire 5
program is to elicit a positive commitment on the part of the 6
population against the enemy and in support of the Government 7
of Vietnam. 8

b. Economic Limitations. The Government of Vietnam does 9
not now - and probably will not in the foreseeable future - 10
have the ability to support more than a fraction of the cost 11
of defense against communist offensive and subversive activi- 12
ties, especially when the defense effort is left fully in its 13
own hands without US combat resources being employed. There 14
are four economic goals pursued jointly by the Government of 15
Vietnam and the United States: economic development; war 16
relief; economic stabilization; and war support. None of 17
these goals can be sacrificed if the Republic of Vietnam is 18
to become a free, independent, and viable nation. The capa- 19
bility to pursue all of them simultaneously is limited by 20
real resource constraints. 21

(1) Gross National Product (GNP). The estimated 1968 22
GNP of the Republic of Vietnam was \$3.7 billion. It has 23
been estimated that the current minimum annual cost of 24
the Vietnam war to the United States is \$23.6 billion, or 25
six times the RVN GNP. Even if future US direct partici- 26
pation in the war were discounted, total GVN expenditures 27
plus the annual Military Assistance Service Fund (MASF) 28
cost of supporting the RVNAF force structuring during the 29
Phase III I&M expansion will be approximately two-thirds 30
of the total RVN GNP. To support the Phase II force 31

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structure, the Government of Vietnam has had to augment
 its 1969 defense budget significantly. If, in addition to
 this, there is pressure to transfer from or add to the MASF
 any further defense costs for local financing, the GVN
 budget will be under grave strain.

(2) Inflation. Even though inflation has been held to
 about 30 percent annually, the RVN economy now is growing
 very little in real terms, the GVN revenue capability is
 not adequate for its needs, and there is little chance of
 short-term improvement. If the Government of Vietnam pur-
 sues (or is forced to pursue) programs which add signifi-
 cantly to GVN budget deficits, inflation will reach uncon-
 trollable proportions. The RVNAF I&M Program has signifi-
 cant economic impact. A large, modern military force
 places demands on the nation's manpower and other pro-
 ductive resources as well as demands on the national out-
 put. For example, RVN factories are reducing output, and
 some are even closing because skilled laborers have been
 drafted to meet mobilization requirements. Runaway infla-
 tion, at a time when the Government of Vietnam is trying
 to gain the confidence of the Vietnamese people, would
 threaten the stability of the Government of Vietnam.

c. Demographic Limitations. Although there has been no
 recent national census, efforts over the past several years
 to determine the size of the RVN manpower pool have produced
 increasingly sophisticated and reliable estimates. Table 6,
developed by CINCPAC, is considered to be the best estimate
currently available. It shows a surplus to meet unprogrammed
 military requirements equal to only 6 percent (70,875) of the
 total FY 1973 force, even when taking into consideration in-
 creases to be expected from pacification progress and more

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effective desertion control. While previous US estimates 1
 have erred on the conservative side, it is prudent to accept 2
 the conclusion of this estimate that the Government of Vietnam 3
 is rapidly approaching the maximum force sustainable without 4
 irreparable damage to the civilian economy. The projected 6 5
 percent surplus provides a clear indication of how little room 6
 there is for expansion beyond the FY 1973 force level. Fur- 7
 ther, it points to the pressing need to seek additional manpower 8
 savings through realignment and simplification of military, 9
 paramilitary, and civil forces. Of equal importance is the 10
 growing requirement for individuals having leadership, manage- 11
 rial, and technical skills. Military requirements have forced 12
 the mobilization of these skills to the detriment of the 13
 civilian sector. This has, in turn, caused assignment of mili- 14
 tary officers back to civilian jobs. MACV reports that as 15
 of 1 December 1969, a total of 6,828 officers were performing 16
 duties with civilian agencies. This is a significant reduc- 17
 tion in leadership available to the RVNAF. 18

d. Technological and Managerial Factors. The lack of a 19
 significant national technological base and the limited mana- 20
 gerial talent in the Republic of Vietnam will restrict GVN 21
 ability to execute programs requiring significant increases 22
 in technical and managerial skills by the end of FY 1973. 23
 Executive management talent throughout the Republic of Vietnam 24
 is sparse, there is no adequate in-country curriculum for 25
 graduate engineers, and offshore school returnees are rela- 26
 tively few. It is concluded that, for the foreseeable future, 27
 programs proposed for the RVNAF should minimize demands for 28
 technical and managerial skills. Experience to date with 29
 Vietnamization reveals that competition is keen in both the 30
 military and civilian market for technical and managerial 31

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skilled personnel and trainable technicians, engineers, and
managers. Such competition will become increasingly severe.
Accordingly, GVN assumption of increased responsibilities under
Vietnamization could be adversely affected by these competing
requirements.

e. Organizational Limitations. For a variety of reasons,
the GVN administrative apparatus, its Armed Forces, and its
paramilitary elements have evolved into a complicated network
in need of simplification. Although the need for simplifica-
tion is realized, it is doubtful that the changes by 1973 will
be other than evolutionary. Further progress in pacification
is anticipated to lead to some simplification, reduction, and
consolidation in certain types of force elements and programs.
This will release leadership assets and US advisory personnel
and will also reduce the overall administrative and fiscal
burden to the JGS and to the Government of Vietnam. For the
longer range time frame, eventual elimination of the Popular
Forces and conversion of the Regional Forces to a kind of
Territorial Reserve Organization is being considered by JGS
planners, among other possibilities.

f. Military Factors with Interdepartmental Implications.
Military deficiencies are recognized by the RVN JGS and are
being addressed by the RVNAF Quality Improvement Committee
and other groups and individuals. Military problems slowly
are being addressed through active development of the JGS
concept of bringing about an agreed RVNAF strategy, military
doctrine, and a realistic unity of RVN military thought.
Desertion remains a major problem affecting GVN capabilities
to develop an effective force to meet the current threat.
Although some programs have been developed to get at such
root causes as unsatisfactory living conditions, insufficient

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income, and lack of effective personnel assignment and leave 1
policies, real improvements are slow in coming. The critically 2
important areas of morale and esprit also are adversely affected 3
by the poor leadership, unsatisfactory environment provided 4
for the military men and their families, and insufficient level 5
of training of individuals and units. 6

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TABLE 6
RVN MANPOWER CAPABILITIES^{1/}

	FY 1970	FY 1971	FY 1972	FY 1973
<u>Proposed Military Strength</u>				
RVNAF (Includes Regional and Popular Forces) Paramilitary	995,598 <u>194,782</u>	1,032,020 <u>178,910</u>	1,047,780 <u>163,385</u>	1,061,505 <u>149,860</u>
Subtotal	1,190,380	1,210,930	1,211,165	1,211,365
<u>Estimated Requirement to Sustain Proposed Force</u>				
RVNAF Casualties (not Returned to Duty)	31,900	33,000	33,500	34,000
RVNAF Desertions (Not Returned to Duty) ^{2/}	108,800	86,500	62,800	63,600
RVNAF Discharges (Less Physical Discharges)	8,600	8,900	9,000	9,130
National Police Casualties (Not Returned to Duty)	620	680	690	690
National Police Desertions (Not Returned to Duty) ^{3/}	1,280	1,130	570	570
National Police (Dismissed, Resigned, Retired)	<u>1,800</u>	<u>2,000</u>	<u>2,040</u>	<u>2,040</u>
Subtotal	153,000	132,210	108,600	110,030
<u>Estimated Sources of Manpower</u>				
Incoming 18 Years Age Group	180,000	194,000	199,000	223,000
Hoi Chanh Deserters ^{4/}	<u>45,000</u> <u>97,920</u>	<u>50,000</u> <u>77,850</u>	<u>55,000</u> <u>56,520</u>	<u>55,000</u> <u>57,240</u>
Subtotal	322,920	321,850	310,520	335,240
<u>Total Estimated Requirements</u>				
To Sustain Force	153,000	132,210	108,600	110,030
Minimal Increase in Economy Employment		80,000	80,000	80,000
Force Increase		<u>20,800</u>	<u>200</u>	
Subtotal	153,000	233,010	188,800	190,030
<u>Surplus Available to Meet Un-programmed Military and Economic Requirements</u>	+ 169,920	+ 88,840	+ 121,720	+ 145,210
<u>Surplus Available to Meet Un-programmed Military Requirements ^{5/}</u>	+ 109,920	+ 24,173	+ 57,053	+ 70,875

1/ The Republic of Vietnam has never had a national census; consequently, a major difficulty in an analysis of the available human resources is the paucity and unreliability of basic population and economic statistics.

2/ RVNAF Desertion Rates:

- a. FY 1970: A monthly average was compiled using July-October 1969 data and was the basis of computation.
- b. FY 1971: A rate of 7/1,000/month was assumed. A new identification procedure is to be implemented during 1970 and should cause a downward trend in the rate.
- c. FY 1972-1973: A rate of 5/1,000/month was assumed as the effectiveness of the positive identification system increases.

3/ Police Desertion Rates:

- a. FY 1970: A monthly average was compiled using July-October 1969 data and was the basis of computation.
- b. FY 1971: A rate of 0.8/1,000/month was assumed.
- c. FY 1972-1973: A rate of 0.4/1,000/month was assumed.

4/ Deserters are depicted as a military loss; however, they are not a total manpower loss. The majority become available to the labor force or reenter the military service under an assumed identity. A small percentage undoubtedly goes over to the enemy, flees the country, or is lost to the labor force. For purposes of this study, 90 percent of the deserters are assumed to be available to the manpower pool.

5/ Limited statistics indicate approximately one-third of the draftees physically unfit for military service. Adjusting the incoming group by this factor, the available sources of manpower for military use are shown.